

## NOTICE OF ANNUAL STOCKHOLDERS MEETING

NOTICE IS HEREBY GIVEN that the Annual meeting of Stockholders of **PRIMEX CORPORATION** will be held via remote communication, on October 23, 2020 at 11:00 a.m. to consider and approve the matters set forth in the following Agenda:

### AGENDA

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of Minutes of the Annual Meeting held on June 28, 2019
4. Presentation of Annual Report
5. Election of the Board of Directors (including Independent Directors)
6. Ratification of the Acts of the Board of Directors and Officers of the Corporation adopted in the ordinary course of business since the Annual Stockholders Meeting of 2019
7. Appointment of External Auditor
8. Consideration of such other business as may properly come before the meeting
9. Adjournment

The record date for the determination of the stockholders entitled to notice of and to vote at said meeting is fixed at the close of business hours of August 30, 2020.

Please bring any form of valid identification in order to facilitate registration.

KARLVIN ERNEST L. ANG  
Corporate Secretary

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:  
[ ] Preliminary Information Statement  
[ x ] Definitive Information Statement
2. Name of Registrant as specified in its charter: **PRIMEX CORPORATION**
3. **PHILIPPINES**  
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number: **133828**
5. BIR Tax Identification Code: **420-000-188-756**
6. **G/F RICHBELT TERRACES 19 ANNAPOLIS ST., GREENHILLS, SAN JUAN** **1502**  
Address of principal office Postal Code
7. Registrant's telephone number, including area code: **(632) 722-80-78**
8. **October 23, 2020, 11:00 am. Via remote communication**  
Date, time and place of the meeting of security holders
9. Approximate date on which the Information Statement is first to be sent or given to security holders  
**September 09, 2020**
10. **In case of Proxy Solicitations:**  
*Name of Person Filing the Statement/Solicitor:* \_\_\_\_\_  
*Address and Telephone No.:* \_\_\_\_\_
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
- | Title of Each Class | Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding |
|---------------------|--|
| <b>COMMON</b>       | <b>1,661,666,665</b>   |
12. Are any or all of registrant's securities listed in a Stock Exchange?  
Yes  x  No
- If yes, disclose the name of such Stock Exchange and the class of securities listed therein:  
**COMMON SHARES** **PHILIPPINE STOCK EXCHANGE**

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE  
REQUESTED NOT TO SEND US A PROXY**

**INFORMATION REQUIRED IN INFORMATION STATEMENT**

**Date, Time and Place of Annual Meeting of Security Holders**

October 23, 2020, 11:00 a.m.  
Via Remote Communication

**Complete Address of Principal Office of Registrant**

Ground Floor, Richbelt Terraces  
19 Annapolis St., Greenhills  
San Juan, Metro Manila

**Approximate date on which the Information Statement is first to be sent or given out to security holders**

September 09, 2020

**Dissenter's Right of Appraisal**

With respect to any matter to be acted upon at the annual meeting which may give rise to the right of appraisal, in order that a dissenting stockholder may exercise his appraisal right, such dissenting stockholder shall have voted against a proposed corporate action and shall, within thirty (30) days after the annual meeting at which such stockholder voted against the corporate action, make a written demand on the Registrant for the value of his shares. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 81 to 86 of the Corporation Code. The Issuer is not aware of any matters to be taken up during the stockholders meeting that will entitle a shareholder to exercise a Right of Appraisal as provided in Title X of the Corporation Code.

**Voting Securities and Principal Holders Thereof**

The number of shares outstanding and entitled to vote in the stockholders' meeting as of August 30, 2020 is 1,661,666,665 common shares. Foreign ownership in the company's common shares of stock as of August 30, 2020 is 18,973,101 shares or 1.142 % of total issued shares. The record date for purposes of determining stockholders entitled to vote in the meeting is September 18, 2020. Stockholders are entitled to cumulative voting in the election of directors, as provided in the Corporation Code. There are no conditions precedent for the exercise of the cumulative voting rights in the election of directors.

**Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

Other than election to office, there is no matter to be acted upon in which any director, executive officer, or nominee for election as director, is involved or has a direct, indirect or substantial interest. There is also no incumbent director who has informed the Company in writing that he/she intends to oppose any action to be taken at the Annual Stockholders' Meeting.

**Security Ownership of Certain Record and Beneficial Owners**

The persons known to the Registrant to be directly or indirectly the record or beneficial owner of more than five percent (5%) of the registrant's voting securities as of April 30, 2020 are as follows:

<b>Title of Class</b>	<b>Name/Address of Record/ Beneficial Owner</b>	<b>Amount &amp; Nature shareholdings</b>	<b>Citizenship</b>	<b>Percent of Class</b>
Common	Ernesto O. Ang 6 Young St. Corinthian Gardens Quezon City	453,948,330 (Indirect)	Filipino	27.32
Common	Eduardo O. Ang Suite 303, 1109 Narra St., Manila	137,778,335 (Indirect)	Filipino	8.292
Common	Emilio O. Ang 51 Flamengo St. Green Meadows Quezon City	159,895,000 (Indirect)	Filipino	9.623
Common	Edgard O. Ang Suite 14-A Greenrich Mansion Lourdes St., Pasig	193,235,000 (Indirect)	Filipino	11.629
Common	Ericson O. Ang Ph-B Richbelt Terraces Annapolis St. Greenhills, S.J.	198,618,330 (Indirect)	Filipino	11.953

\* Indirect shares of Mr. Ernesto O. Ang are lodged under Highvalue Holdings, Inc., which Mr. Ernesto O. Ang, owns and controls.

\* Indirect shares of Atty. Ericson O. Ang are lodged under 5 Calibre Holdings, Inc. , which is owned and controlled by Atty. Ericson O. Ang.

\* Indirect shares of Mr. Edgard O. Ang are lodged under Excellar Holdings Inc. which he owns and controls.

\* Indirect shares of Mr. Emilio O. Ang are lodged under High Integritas Holdings Inc. which he owns and controls.

\* Indirect shares of Mr. Eduardo O. Ang are lodged under EA Hok Ki Holdings Corp. which he owns and controls.

#### **Voting Trust Holders of 5% or more**

Registrant has no voting trust holders of 5% or more of its total outstanding capital stock.

#### **Security ownership of Management**

<b>Title of class</b>	<b>Name of owner</b>	<b>Position</b>	<b>Amount &amp; nature of ownership</b>	<b>Citizenship</b>	<b>Percentage</b>
Common	Ernesto O. Ang	Chairman/ President	453,948,330 (Indirect)	Filipino	27.32 %
Common	Eduardo O. Ang	Director	137,778,335 (Indirect)	Filipino	8.292 %
Common	Emilio O. Ang	Exec .VP. & Director	159,895,000 (Indirect)	Filipino	9.623 %
Common	Edgard O. Ang	Treasurer & Director	193,235,000 (Indirect)	Filipino	11.629 %

Common	Ericson O. Ang	Vice-Pres. & Director	198,618,330 (Indirect)	Filipino	11.953 %
Common	Karlvin Ernest L. Ang	Corporate Secretary	400,000 (direct)	Filipino	0.024 %
Common	Jossie O. Chan	Director	6,750,000 (direct)	Filipino	0.406 %
Common	Willy G. Ong	Independent Director	20,000(direct)	Filipino	0.001 %
Common	Benito Chua Co Kiong	Independent Director	5,000(direct)	Filipino	0.000 %

As of August 30, 2020, the total number of common shares owned by all Directors and Officers as a group unnamed is 1,150,649,995 which is equivalent to 69.25 % of the total outstanding number of common shares of the registrant.

### Change in Control

Registrant has no knowledge of any arrangement which may result in a change in control of the Registrant.

### Directors and Executive Officers

The Directors of the Company are elected to hold office for one (1) year until the next annual meeting or until their respective successors have been elected and qualified. The incumbent directors were elected during the annual stockholders' meeting held last June 28, 2019 wherein all the directors were present. The names of the incumbent directors and executive officers of the company and their respective periods of service, ages, current positions held and business experience during the past five years are as follows:

<b>Directors</b>	<b>Age</b>	<b>Citizenship</b>	<b>Period served</b>
Ernesto O. Ang	73	Filipino	1986 to present
Eduardo O. Ang	76	Filipino	1986 to present
Emilio O. Ang	67	Filipino	1986 to present
Edgard O. Ang	60	Filipino	1998 to present
Ericson O. Ang	57	Filipino	1998 to present
Jossie O. Chan	64	Filipino	1995 to present
Karlvin Ernest I. Ang	39	Filipino	2009 to present
Benito Chua Co Kiong*	67	Filipino	2009 to present
Willy G. Ong*	55	Filipino	2014 to present

\* Independent Director

#### **Nomination Committee Members:**

Chairman: Ernesto O. Ang  
Members: Atty. Ericson O. Ang  
Mr. Benito Chua Co Kiong

#### **Audit Committee Members:**

Chairman: Mr. Benito Chua Co Kiong  
Members: Mr. Ernesto O. Ang  
Mr. Emilio O. Ang

#### **Compensation/Remuneration Committee Members:**

Chairman: Ernesto O. Ang  
Members: Willy G. Ong  
Eduardo O. Ang

**Corporate Governance Committee Members:**

Chairman: Willy G. Ong  
Members: Eduardo O. Ang  
Benito Chua Co Kiong

**Related Party Transactions Committee Members:**

Chairman: Eduardo O. Ang  
Members: Willy G. Ong  
Benito Chua Co Kiong

**Lead Director:** Benito Chua Co Kiong

<b>Executive Officers</b>	<b>Age</b>	<b>Citizenship</b>	<b>Position</b>
Ernesto O. Ang	73	Filipino	President
Emilio O. Ang	67	Filipino	Vice-President
Edgard O. Ang	60	Filipino	Treasurer
Ericson O. Ang	57	Filipino	Vice-President-Legal
Karlvin Ernest L. Ang	39	Filipino	EVP/Corporate Secretary

**Ernesto O. Ang**, 73 years old, Filipino, has been the President and Chairman of the Board of the Company since its inception. He is concurrently a Director of the following corporations: Omega Lumber Corporation, Primex Development Corporation, Primex Domains, Inc., Omega Fishfarm Corporation, Primex Realty Corporation, Primex Land, Inc., Meycauyan Market Corporation and Richville Development Ltd.

**Eduardo O. Ang**, 76 years old, Filipino, is a Director of the company since 1986. He is the General Manager of the Omega Lumber Corporation. He also is a Director of Primex Development Corporation, Primex Realty Corporation and Primex Land Inc.

**Emilio O. Ang**, 67 years old, Filipino, has been with the company since 1986 as Director and Vice-President. He is the Managing Director of Farmlake Corporation and Omega Fisheries Corporation. He also holds directorship in Omega Lumber Corporation, Primex Development Corporation, Primex Domains, Inc., Primex Realty Corporation and Primex Land, Inc.

**Edgard O. Ang**, 60 years old, Filipino, is the Treasurer and Chief Financial Officer of the Company. He is also a Director of Primex Domains, Inc., Primex Realty Corporation, Primex Land, Inc., and Primex Development Corporation.

**Ericson O. Ang**, 57 years old, Filipino, is the Vice-President for Legal Affairs of the company. He is concurrently a Director of Primex Domains, Inc., Primex Realty Corporation, Primex Land, Inc. and Primex Development Corporation.

**Jossie O. Chan**, 64 years old, Filipino, a Director of the company since 1995. She is also a Director of Omega Lumber Corporation, Primex Domains, Inc., Primex Realty Corporation and Primex Land, Inc.

**Karlvin Ernest L. Ang**, 39 years old, Filipino, corporate secretary, he is the Chairman and President of Novelty Specialist, Inc. and Chairman of Head High Venture Holdings Corporation. He is an alumnus of the De la Salle University where he graduated with a Bachelor's Degree in Business Management.

**Benito Chua Co Kiong**, 67 years old, Filipino, is the President of BNC Ingredients Corporation and the former Vice-President for Sales (1979-2002) of Malabon Long life Trading Corporation. He holds a Bachelor of Science degree Major in Chemical Engineering from Adamson University. He is a member of various prestigious business/professional associations, including the American Chamber of Commerce, Canadian Chamber of Commerce, Management Association of the Philippines and the Makati Business Club. Mr. Chua Co Kiong was nominated as an independent director by Mr. Ernesto O. Ang, with which he has no relations. Mr. Co Kiong was also appointed the Lead Director.

**Willy G. Ong**, 55 years old, Filipino, is concurrently the President of Willex Printing and also the Vice President of Sureprint Packaging Corporation. Mr. Ong holds a Bachelor of Science degree in Industrial Management Engineering from the De La Salle University. He was previously the Production head, Desktop Publishing Division (1988-1992) of Microprint, a large printing company in San Francisco, California, USA.

### **Nominees for Election as Members of the Board of Directors (including Nominees for Independent Directors)**

In the approval of nominations for independent directors, the company has a Nomination Committee composed of three (3) members of the Board of Directors, one of whom is an independent director. The committee evaluates the qualifications of all nominees to the Board of Directors, including the independent directors. After the nomination, the committee shall prepare a final list of candidates which shall contain all the information about all the nominees. Only nominees whose names appear in the final list of candidates shall be eligible for election as independent director/s. No other nomination shall be entertained or allowed on the floor during the actual annual stockholders meeting.

The foregoing procedures are essentially based on the guidelines prescribed in SRC Rule 38 covering the Guidelines on Nomination and Election of Independent Directors.

The following nominees for independent director have possessed all the qualifications and none of its disqualifications:

**Willy G. Ong** – nominated for re-election as Independent director by Atty. Ericson O. Ang with whom he has no relations.

**Benito Chua Co Kiong** – nominated for re-election as independent director by Mr. Ernesto O. Ang with whom he has no relations.

### **Significant Employees**

There is no person, other than the executive officers, who is expected by the Registrant to make significant contributions to the business.

### **Family Relationship**

The following directors/executive officers of the Company are siblings: Ernesto O. Ang, Eduardo O. Ang, Emilio O. Ang, Edgard O. Ang, Ericson O. Ang and Jossie O. Chan while Mr. Karlvin Ernest L. Ang is the eldest son of company President Ernesto O. Ang.

### **Involvement of Directors and Officers in Certain Legal Proceedings**

None of the directors and officers were involved during the past five (5) years up to latest date in any bankruptcy proceeding. Neither have they been convicted by final judgement in any criminal proceeding, or been subject to any order, judgement or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or likewise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative bodies to have violated a securities or commodities law.

### **Certain Relationship and Related Transactions**

On March 30, 2015, the Company entered into an agreement to purchase Php 140,000,000.00 worth of shares of stock representing a 70 % stake in Primex Realty Corporation, an affiliated company

also dealing in real estate development. On January 17, 2018, the Company acquired full ownership and control of Primex Realty Corporation, thereby making it a wholly-owned subsidiary.

Since the date of the last annual meeting of security holders, no director has resigned nor declined to stand for re-election to the Board of Directors because of a disagreement with the company on any matter relating to the company's operations, policies or practices.

### Executive Compensation

SUMMARY COMPENSATION TABLE (in Thousands)	2020 (Estimated)		2019		2018	
	Salary/Fee	Bonus	Salary/Fee	Bonus	Salary/Fee	Bonus
<b>Directors</b>	90		90		90	
<b>Officers:</b>		236		236		236
ERNESTO O. ANG Chairman & President						
EMILIO O. ANG Exec. Vice-Pres.						
EDGARD O. ANG Treasurer & CFO						
ERICSON O. ANG Vice-President- Legal						
KARLVIN ERNEST ANG Corporate Secretary						
Total Officers	P 5,458		P 5,458		P 5,458	
<b>All other directors / officers as a group unnamed</b>	5,548	P 236	P 5,548	P 236	P 5,458	P 236

The Top Five (5) highly compensated executive officers are:

Ernesto O. Ang	President/CEO
Emilio O. Ang	Vice-President
Ericson O. Ang	Vice-President-Legal
Edgard O. Ang	Treasurer-CFO
Karlvin Ernest L. Ang	Corporate Secretary/EVP

There are currently no separate employment contracts between the Registrant and its named executive officers other than the regular employment agreements that all officers are subject to. There are no outstanding warrants or stock options held by the directors or executive officers. Started in the year 2006, it was agreed that each director shall receive a fixed annual per diem of Php 10,000.00 only.



## **Independent Public Accountant**

The accounting firm of Sycip Gorres Velayo & Co. has been the Company's independent Public Accountant since 1995. The same firm is being recommended for appointment by the stockholders on June 28, 2019. There was no event where the company and SGV had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure. Representatives of the said firm are expected to be present at the security holders' meeting to respond to appropriate questions they can shed light on.

In compliance with SRC rule 68, paragraph 3(b)(iv), the external auditors of the financial statements of the Company shall be rotated every five (5) years. The incumbent external auditor of the company, starting in 2015, is Ms. Jennifer D. Tielao while the Audit Committee of the Company is chaired by independent director Benito Chua Co Kiong and has Ernesto O. Ang and Emilio O. Ang as members. The Independent Public Accountants are willing to stand for re-election.

## **Action with Respect to Reports**

The Company will submit to the shareholders for approval the following:

1. Minutes of the Regular Stockholders Meeting held on June 28, 2019; The Minutes reflect the following: i) election of members of the Board for 2019-2020; ii) approval of the annual report.
2. 2019 Annual Report with Audited Financial Statements;
3. Ratification of the acts of the Board of Directors and officers of the corporation during the year 2019 including:
  - a. Approve the holding of Annual Stockholders Meeting on June 28, 2019;
  - b. Appointment and election of executive officers and committee chairmen;
  - c. Approve and authorize the release of the Company's Financial Statements for the years 2018, 2017 and 2016 as audited by its external auditors;
  - d. Approval of Investment/purchase of stocks in Primex Development Corp.;
  - e. Approved additional investment in Primex Development Corp.;
  - f. Approved the declaration of a cash dividend to all holders of the company's common shares at P 0.055 per share;
  - g. Secure the refund of service advances from the Manila Electric Co. in connection with service deposits of Richdale project.

These acts are covered by Resolutions of the Board of Directors duly adopted in the normal course of trade and business.

## **Amendments of Charter, By-laws and other documents**

The Company has amended its by-laws to incorporate the procedures for the nomination and election of independent directors in accordance with the requirements of SRC Rule 38, including the qualifications and disqualifications of Independent Directors. Also amended is the number of directors which was increased to Nine (9), inclusive of two (2) Independent directors. In a special stockholders meeting held on January 29, 2016, stockholders representing more than two-thirds of the shareholders of the company approved a resolution for the change in par value of the company's common stock from Php 1.00/share to Php 0.20/share.

## **Voting Procedures**

The foregoing matters will require the affirmative vote of a majority of the shares of the Company present or represented and entitled to vote at the Annual Meeting. Likewise, directors shall be elected upon the majority vote of the shares present or represented and entitled to vote at the Annual Meeting. The election is executed through balloting, show of hands or viva voce or by other means approved by the stockholders.

Only stockholders of record at the close of business on April 30, 2019 of the 1,661,666,665 Common shares of the Company may vote at the Stockholders' Meeting. Each share of stock outstanding is entitled to one vote. Cumulative voting shall be allowed in the election of the members of the Board of Directors.

Atty. Ericson O. Ang, Compliance Officer of the Company, shall be authorized to count the votes to be cast. In past meetings of stockholders, considering that the number of nominees is the same as the number of board seats, no actual balloting was undertaken.

### **SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is duly signed in the City of San Juan, Metro Manila on September 04 , 2020

**PRIMEX CORPORATION**

By:

**KARLVIN ERNEST L. ANG**

Corporate Secretary

**STATEMENT OF MANAGEMENT’S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of **Primex Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached herein, for the years ended 2017, 2018 and the year ended December 31, 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company’s financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached herein, and submits the same to the stockholders or members.

Sycip, Gorres, Velayo & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

ERNESTO O. ANG  
Chairman of the Board

ERNESTO O. ANG  
Chief Executive Officer

EDGARD O. ANG  
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this        day of        , 2020 affiants exhibiting the following valid identification numbers:

NAMES	TIN NO.
Ernesto O. Ang	108-929-290
Edgard O. Ang	109-929-273

## **REPORT ACCOMPANYING INFORMATION STATEMENT REQUIRED UNDER SEC RULE 17**

### **Audited Consolidated Financial Statements**

The audited consolidated financial statements of the registrant as of December 31, 2019 and the Statement of Management's Responsibility for Financial Statements are attached hereto.

### **General Nature and Scope of Business**

Primex Corporation was incorporated on July 17, 1986 and is primarily engaged in the real estate business in all its aspects, to purchase, lease, or in any manner dispose of or deal with lands and other real properties. The Company listed its common shares in the Philippine Stock Exchange on August 10, 2001. The company has completed two high-end residential projects, namely Goldendale Village in Malabon and The Richdale in Antipolo Cty. The company has real estate held for future development situated in various strategic locations geared for both horizontal and vertical developments. The Company's thrust in real estate development is primarily geared towards consumers belonging to the upper-income brackets.

### **Management's Discussion and Analysis of Financial Condition and Results of Operation**

#### **For the interim period ended March 31, 2020**

For the first three months of the year 2020 ended March 31, the Company recorded Php 568.691 M in Real estate sales, as compared with the Php 2.654 M posted for the same period last year. This represents real estate sales from the Stratosphere. No sale was recorded for the Goldendale as an offshoot of the self-imposed moratorium on real estate sale of Goldendale Subdivision due to the continued significant rise in real estate prices. This resulted in a realized gross profit from sales of Php 209.172 M as against the Php 14.042 M loss incurred for the same period last year. Total Expenditures for the 3-month period was up by 270 %, from Php 18.793 M of the same period last year to Php 67.712 M. Salaries, Bonuses and Employees' Benefits increased by 20% due to the hiring of additional employee; Taxes and Licenses likewise also increased by 20 % over the same period last year, from Php 9.901 M to Php 12.145 M on account of early payment of real estate taxes ; Reduced utilization of company heavy equipment in real estate development was responsible for the 40 % decrease in Gas & Oil, from Php 0.109 M to Php 0.066 M; Security service expense, which was Php 0.152 M in the same period last year, was up to Php 0.515 M due to the additional deployment of the number of security guards per property site; there were minimal Professional Fees paid for the same period last year as compared to Php 0.205 M for the same period this year on account of fees paid for public relations services while Repairs and Maintenance was up by 40 %, from Php 0.141 M to Php 0.056 M on account of maintenance repairs; The 10% increase under Miscellaneous expense as compared with the same period this year was due to additional transportation expense due to the covid-19 pandemic. Interest expense jumped 180 % on account of a loan and credit facility for the development of the Primex Tower While Management Expense, which was nil for the same period last year, amounted to Php 0.851 M was due to a parking management contract for the STratosphere.

Revenues from Other Income sources earned during the 1st quarter amounted to Php 18.267 M, a decline of 30% from the Php 24.668 M earned during the same period last year. Interest Income decreased by 80%, from Php 11.697 M to Php 2.269 M on account of less installment sales contracts. Rental Income, which was Php 12.901 M for the same period last year, rose to Php 15.259 M, as some rental payment were received earlier than scheduled. In view of the significant rise in real estate sales of the Stratosphere during the 3-month period, the Company recorded an income before tax of Php 159.728 M, as compared with the Php 8.166 M loss incurred during the same period last year.

### **Financial Condition**

The Company's Balance sheet reflects a 10% change in Total resources. Total Assets, which stood at Php 2,716.277 M as of yearend 2019, is now pegged at Php 2,525.056 million. Cash on hand, which stood at Php 69.792 M at yearend 2019, was down to Php 49.241 M as of March 31, 2018 due to the development of Primex Tower. Contract Receivables increase by 30 %, from Php 74.314 M to Php 97.603 M due to more intallment real estate sales. Accounts and other payables declined by 35% on the early payment of materials for Primex Tower which resulted in the 29% decline in Total Current Liabilities.

### **For the interim period ended June 30, 2020**

For the first half of the year 2020 ended June 30, the Company reported consolidated real estate sales in the amount of Php 489.789 M , as compared with the Php 5.213 M real estate sales posted for the same period last year. Realized gross profit from sales was significantly up , from the Php 11.208 M loss of the same period last year, to Php 197.608 M made for the first six months of this year. On the other hand, Total Expenditures for the 6-month period increased by 119 %, from Php 39.130 M. to Php 85.953 M.

Salaries, Bonuses and Employees Benefits remains basically at the same level of the same period last year; Taxes, Licenses and Fees, which was only Php 19.968 M for the first 6 months last year, was down to Php 12.296 M on account of the payment of the first year for annual real estate taxes of units of the Stratosphere last year; Gas & Oil, which was Php 0.157 M for the first six months last year, dropped to Php 0.076 M. as there was a significant decrease in the utilization of heavy equipment; while Depreciation Expense jumped, from Php 1.926 M to Php 39.094 M. due to the depreciation of some properties for lease of the company. Brokers Fees increased to Php 8.453 M as against Php 0.543 m for the same period last year due to the payment of commission due from previous years' real estate sales.

Security Services quadrupled, from Php 0.208 M to Php 1.063 M for the same period this year on account of additional number of security personnel; Professional Fees was up to Php 0.093 M from the Php 0.080 M incurred for the same period last year as some of these fees due for payment in the 3<sup>rd</sup> quarter were paid earlier; the Php 0.079 M spent on Repairs & Maintenance was up from Php 0.065 M on account of maintenance upkeep of heavy equipment; while no Rental Expense was reported for the first 6 months of 2020, as compared with the rental expense in the amount of Php 0.846 M incurred for the same period this year. The Php 8.124 M in Interest expense for the first half of last year doubled to Php 16.819 M this year as there was a bigger amount of bank loans than during the same period last year.

Income from other sources was down by 34 %, from Php 66.296 M of the same period last year to Php 43.511 M. as Interest Income dropped 88 %, from Php 22.352 M to only Php 2.648 M due to while Rental Income decreased by 7 %, from Php 43.158 M to Php 39.967 M on account of waived rentals arising out of the COVID-19 pandemic..

All told, the significant 38 fold rise in real estate sales, from Php 5.213 M made during the first half of last year to Php 489.789 M sold for the first six months of 2020 resulted in an almost 9-fold increase in Net Income of Php 155.165 M as compared with the Php 15.957 M earned during the first half of the previous year.

### **Financial Condition**

The Company's Balance sheet reflects a 7 % drop in Total Assets. Total assets, which stood at Php 2,716.277 M as of yearend 2019, slid to Php 2,528.269 million. Cash on hand, which stood at Php 69.792 M at yearend 2019, was down to Php 40.798 M as of June 30, 2020 due to the increase in other income sources although Contract Receivables was up by 14 %, from Php 74.314 M to Php 85.033 M. while Other Current Assets also saw a 21 % decline. Total Current Liabilities reflects a 27 % decrease,

from the Php 1.096 M level to Php 797.606 M while Total Liabilities declined to Php 1,459.628 M., down from Php 1,764.175 M at the end of year 2019 .

## **Full Fiscal Years**

### **2019**

For the year 2019 ended December 31, the Company had a total of Php 25.029 M in consolidated real estate sales, in which Php 6.067 M is from real estate sales in Richdale, Php 18.962 M is from Stratosphere sales while no sales were reported in Goldendale Subdivision. This total in real estate sales represents a decline of 89% from sales of both the previous year and 2017. Total Rental Income for the year amounted to Php 17.507 M, which is 55% higher than the Php 11.083 M last year and 15 times more than the Php 1.049 M earned in 2017. Interest earned from real estate sales reached Php 42.988 M for the year, which is a little more than double the Php 19.639 M in 2018 and three and a half times over the Php 9.391 M in 2017. Miscellaneous income contributed Php 29.915 M, as compared with the Php 25.903 M of last year and the Php 24.129 M in 2017. Cost of real estate sales was down to Php 14.605 M, from Php 130.491 M the previous year and Php 99.054 M in 2017 on account of significant decline in real estate sales.

General and administrative expense increased by 29% over the amounts incurred for the past two prior years, Php 49.388 M over the Php 38.604 M of 2018 and the Php 38.971 M of 2017. Taxes and Licenses expense doubled to Php 18.551 M from the Php 9.637 M last year and the Php 6.463 M of the previous year due to the accrual of unpaid fees. Depreciation expense reached Php 8.834 M., almost double the Php 4.615 M of last year and the Php 5.604 M of 2017. Salaries, wages and employee benefits climbed to Php 8.435 M, from the Php 6.751 M last year and 2017's Php 5.989 M on account of increased wages. The Php 3.407 M spent for Light, Water and Dues was more than double those incurred for the past prior two years due to system loss of water arising from broken and deteriorated water distribution system in Goldendale and Richdale. Commission paid out dropped to Php 1.789 M as compared with Php 5.691 M and Php 3.783 M, respectively of the past two years due to decreased real estate sales. Insurance expense jumped to Php 0.802 M, as compared with the Php 0.239 M of 2018 and the Php 0.362 M in 2017 due to insurance premiums for the construction of the Primex Tower. The 50% rise in Retirement expense over the past two years is attributable to additional employees of both parent and wholly owned subsidiary. The decrease in Gas and Oil expense to Php 0.383 M was due to lower petroleum prices and less utilization of company heavy equipments and vehicles. Communication and transportation expense rose to Php 0.483 M due to the start of marketing and promotional activities for the Primex Tower. Security, Messengerial and Janitorial Expense was down to Php 0.343 M on account of reduced number of security guards deployed. Repairs and Maintenance was significantly reduced to Php 0.072 M was due to less repairs and maintenance of heavy equipment on account of minimal utilization. Training and Development expense was down to Php 0.045 M because of fewer seminars. Miscellaneous expense rose to Php 4.470 M, up from the Php 2.937 M in 2018 and the Php 4.536 M of 2017 due to higher cost of office supplies and the purchase of new office uniforms.

The Company's Balance Sheet reflects a very significant change as of December 31, 2019. Total Assets, which stood at Php 2,143,373.038 M as of yearend 2018 rose to Php 2,716,277,052 M as of December 31, 2019. Cash, which was Php 42.093 M as of yearend 2018 was up to Php 69.792 M. Receivables decreased by 65 %, from Php 217.447 M to Php 74.314

M, solely on account of maturity and payment of receivables of the affiliate. On the other hand, the 39 % rise in Real estate held for sale was on account of completed units of the Stratosphere.

In summation, although the 50% reduction in cost and expense made a significant contribution to the company's income performance, the almost 90% downturn in real estate sales for the year reflects basically the 76 % decline in Net Income, which was down to Php 19.904 M as compared with the Php 82.387 M the previous year and the Php 89.077 M earned in 2017.

## **2018**

For the year 2018 ended December 31, the Company recorded consolidated real estate sales of Php 233.508 M. This is composed of Php 3.913 M. from the Richdale while Php 229.594 M. was attributable to real estate sales from the Stratosphere project of its majority-controlled affiliate, Primex Realty Corporation. This total sales amount is almost identical to the Php 233.829 of 2017 and is 58 percent less than the Php 554.850 M in 2016. Total rental Income reached Php 11.083 M., a 950 % rise from the Php 1.049 M. of the previous year and 200% more than that the no rental earned in 2016. Interest Income reached Php 19.639 M. more than twice the Php 9.391 M. in 2017 and 2016's Php 9.251 M. Cost of Real Estate sales ballooned to Php 130.178 M., of which only Php 7.649 M. was spent by the parent company, as against the Php 99.054 M. incurred in 2017 and the Php 294.369 M. in 2016. Expenses in operation for the year amounted to Php 25.903 M., with the Company recording its expense account at Php 13.425 M. This was 14% and 12.6% more than the Php 24.129 M. and Php 25.674 M. of the two prior years. Salaries, wages and employee benefit expense amounted to Php 6.6751 M., of which the parent Company spent Php 2.887 M., which is almost the same as the Php 5.989 M. in 2017 and the Php 5.694 M. in 2016. The Php 4.928 M. in Depreciation expense drop by 12 % from the previous year's level of Php 5.604 M. and by 9% from 2016 level of Php 5.413 M. on account of construction equipment involved in the development of the Stratosphere project. From Php 0.719 and Php 1.745 M the two previous years, Interest expense rose to Php 3.128 M. on account of bank loans of the two companies. Rent expense, which amounted to Php 3.412 M. was due to lease payment for the showroom of the Stratosphere. Taxes and licenses amounted to Php 9.637 M, which is 50 % more than the Php 6.463 M in 2017 and 90 % more than the Php 5.062 M in 2016. Broker's Fee paid out for the year amounted to Php 5.691 M., 92% of which was paid out for the sale of units of the Stratosphere. Light, water and dues jumped to Php 1.434 M. from Php 1.250 M the previous year but 43 % less than the Php 2.545 M in 2016 was primarily due to development activities of the Stratosphere. Gas & Oil expense increased by 46% and double from 2017 and 2016 amounts due to higher petroleum product prices. Retirement rose to Php 0.390 M. since this expense covers employees from both companies. Selling and Marketing expense was nil as compared with the Php 3.037 M the previous year and Php 0.299 M in 2016. The previous 2 years' Selling and Marketing expense was due to the selling of units of the Stratosphere. Professional Fees reached Php 1.026 M., up 12 and 16 %, respectively, from the two previous years due to audit fees, actuarial and legal consultation fees incurred by the two companies starting in 2016. Security, messengerial & janitorial services was higher by 16 % in 2018 on account of the deployment of additional security guards. Repairs & Maintenance continues to increase, 46 % from 2017 amounts and more than double from 2016 levels due to additional equipments that requires more maintenance.. Communication and transportation expense drop by 39 % to Php 0.164 M. from 2017's Php 0,272 M. and by 36 % from the Php 0.256 M in 2016, due to scale down of operations of the affiliate company. Entertainment, amusement and recreation decreased to Php 0.238 M, from Php 2.958 M the previous year and Php 0.162 M. in 2016. Insurance expense was up by 27% from the Php 0.187 M. of 2016, with the difference attributable to the affiliate company. Training and Development was down by 30% on account of lower seminar fees.

The Company's Balance Sheet reflects a very significant change as of December 31, 2018. Total Assets, which stood at Php 2,223,327.175 M as of yearend 2017 declined to Php 2,143.373 M as of December 31, 2018. Cash, which was Php 16.008 M as of yearend 2017 was up to Php 42.093 M.

Receivables decreased by 11 %, from Php 218.759 M to Php 194.688 M, solely on account of maturity and payment of receivables of the affiliate Likewise, the 6 % drop in Real estate held for sale was on account of units sold of the Stratosphere..

In summation, although real estate sales for 2018 and 2017 remains basically at the same Php 233 M level, the increased cost of real estate sales and services and higher operating expenses caused the 9.3 % decline in income for 2018.

## 2017

For the year 2017 ended December 31, the Company recorded a consolidated real estate sales of Php 233.829 M. This is composed of Php53.071 M. from sales of the Goldendale, Php 5.374 M. from the Richdale, Php 80.357 M from the sale of its Panghulo property while Php 66.454 M. was attributable to real sales from the Stratosphere project of its now wholly-owned affiliate, Primex Realty Corporation. This 2017 real estate sales represents a 58 % decline from the Php 554.850 M. registered in 2016 and a 20 % increase from the Php 195.272 M. in 2015. The decrease in real estate sales can be attributed to a temporary self-imposed moratorium on real estate sales at Goldendale until prices stabilizes due to the continued significant rise in real estate prices and on account of still unrecognized sales of units of the Stratosphere based on prescribed accounting standards. Total rental Income reached Php 25.126 M., almost unchanged from the Php 25.157 M. earned of the previous year but 62 % more than those earned in 2015. Interest Income from banks remained basically unchanged. Cost of Real Estate sales and services amounted to Php 99.054 M., as against the Php 294.369 M. incurred in 2016 and the Php 98.084 M. in 2015. Operating expenses for the year amounted to Php 38.971 M. This was 31 % and 52 % more than the Php 29.720 M. and Php 25.596 M. of the two prior years. Salaries, wages and employee benefits expense amounted to Php 5.989 M., which is almost the same as the Php 5.694 M. in 2016 and 28 % higher than the Php 4.681 M. in 2015. The Php 5.604 M. in Depreciation expense was almost the same as the previous year's level of Php 5.413 M. and by 19 % more from 2015 level of Php 4.921 M. on account of construction equipment involved in the development of the Stratosphere project. Interest expense amounted to Php 0.719 M., down from the Php 1.745 M in 2016 and 2015's Php 1.220 M on account of the pre-payment of loans. Rent expense amounted to Php 3.412 M. due to lease payment for the showroom of the Stratosphere. The amount is 5 % lower from 2016 levels and 32 % higher than those in 2015. The Php 6.463 M under Taxes and licenses was 27 % higher for the year than the Php 5.062 M of the previous year. Commission paid out for the year amounted to Php 0.745 M., which is 24 % of the Php 3.106 M paid in 2016 and 40 % of the Php 1.882 M in 2015. Light, water and dues decreased to Php 1.250 M. from the Php 2.545 M in 2016 but 10 % higher from 2015 levels. Gas & Oil expense ballooned to Php 1.826 M from the Php 0.145 M. of the previous year and the Php 1.596 M in 2015. Retirement expense remained at the Php 0.300 level for both 2017 and 2016. Selling and Marketing expense incurred amounted to Php 3.037 M from the Php 0.299 M in 2016 and the Php 1.434 M. in 2015 due to advisory and research fees. Professional Fees incurred amounted to Php 0.914 M. from the Php 0.879 M of the previous year and the Php 1.161 M. of 2015 due to audit fees, actuarial and legal consultation fees incurred by the two companies starting in 2015. Security, messengerial & janitorial services was lower by 15 % and 23 % respectively from the two previous years on account of the decreased number of security guards deployed. Repairs & Maintenance grew 30 % from 2016 amounts and 39 % from 2015 levels due to additional maintenance and repairs. Communication and transportation expense reflects minimal changes at the Php 0.270 level. Entertainment, amusement and recreation jumped to Php 2.958 M., from Php 0.162 M the previous year, with Primex Realty Corporation accounting for almost all of the increase. Insurance expense was up by 94% from the Php 0.187 M. of 2016, with the difference attributable to the affiliate company. Training and Development was up by 89 % on account of additional seminar fees.

The Company's Balance Sheet reflects significant changes as of December 31, 2017. Total Assets, which stood at Php 1,874.071 M as of yearend 2016 jumped to Php 2,223.327 M as of December 31, 2017. Cash, which was Php 46.117 M as of yearend 2016 was down to Php 16.008 M. Receivables increased by 50 %, from Php 144.132 M to Php 217.155 M, majority on account of receivables of the



affiliate Likewise, the 25 % rise in Real estate held for sale and the 7-fold increase in other current assets, respectively was attributable to the Company's stake in Primex Realty Corporation..

In summation, the 58 % decline in real estate sales attributed to a temporary self-imposed moratorium on real estate sales at Goldendale until prices stabilized due to the continued significant rise in real estate prices and several still unrecognized sales of units of the Stratosphere based on prescribed accounting standards resulted in the 52 % reduction in Net Income of the Company, from Php 185 M in 2016 to Php 89 M this year.

\*There are no known Trends, Events or Uncertainties that might have any material impact on the liquidity of the Company.

\*There are no known Trends, Events, or Uncertainties that may have a material impact on sales.

\*There are no significant elements of income or loss arising from continuing operations.

\*There has not been any seasonal aspects that have had a material effect on the financial condition or results of the Company's operations.

\*There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

\*There are no material commitments for capital expenditures.

\*There are no material events and uncertainties known to management that would impact or change the reported financial information and condition of the company.

\*There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The Company's Top key performance indicators:

### 1.Sales Volume Growth

The Company registered a consolidated Real Estate sales of Php 25,029 M., as compared with the Php 233.508 M. for the twelve months of 2018 and the Php 233.829 M of 2017. This translates to an almost identical 89 % drop from that of the past two prior years.

### 2. Revenue Growth

Total revenues for the twelve month period ended December 31, 2019 amounted to Php 115.439 M as compared with the Php 290.135 M in the twelve months period of 2018 and 2017's Php 268.399 M., or 60% and 57% decline changes from 2018 levels and 2017 levels, respectively.

### 3. Realized Gross Profit on Sales

For its sales efforts, the Company was able to realize Gross Profit on sales of Php 10.379 M as compared with the Php 130.178 M of 2018 and the Php 134.775 M. of 2017. This is the amount of real estate sales less the cost of development.

### 2. Operating Margin

For the twelve month period of 2019, the Company incurred operating expenses of Php 49.388 M as compared with last year's Php 38.604 M, and the Php 38.971 M spent in 2017. This

resulted in an operating loss from sales of Php 60.812 M as compared with the Php 61.284 M in operating income in 2018 as well as with the Php 95.085 M operating income of 2017.

## 5. Asset Growth

Over the twelve months of 2019, total assets increased from Php 2,143.373 M. to Php 2,716.277 M in December 31, 2019.

### **Plan of Operation for 2020 and Prospects for the future**

The Company have not yet resume the selling of its Goldendale Subdivision within the year after its self-imposed moratorium on real estate sales at Goldendale, especially with the COVID-19 pandemic still without any vaccine. Furthermore, the Company is waiting for real estate prices to stabilize due to the projected slump in real estate sales due to the pandemic. However, the projected sizable increase in the amount of sales from the Stratosphere from still unrecognized sales based on prescribed accounting standards is estimated to result in increased sales and revenues levels for the year 2020 above the 2016 accomplishments of the Company, which is a historical record high for the Company.

The Company is continuing the development of the Primex Tower, a 50-storey world-class office condominium along EDSA and Connecticut st. in upscale Greenhills. This development will significantly boost the recurring income portfolio of the Company for many years.

With the aforesaid, the Company still sees bright prospects for a robust 2020 not only in terms of real estate sales but also in profitability .

### **Securities and Shareholders**

The Company has 14 stockholders as of August 30, 2020. The Company's shares of common stock are traded on the Philippine Stock Exchange. Below is a history of the trading prices of said shares for each quarter of the past three years.

#### Market Information

The Company's shares of common stock are traded on the Philippine Stock Exchange. Below is a history of the trading prices of said shares for each quarter of the past three years.

			<u>Low</u>	<u>High</u>
2017	First Quarter	Php	3.53	5.05
	Second Quarter		3.80	4.86
	Third Quarter		3.86	6.37
	Fourth Quarter		5.21	7.41
2018	First Quarter	Php	3.78	5.89
	Second Quarter		2.48	4.70
	Third Quarter		2.92	4.58
	Fourth Quarter		2.99	4.05
2019	First Quarter	Php	2.65	3.70
	Second Quarter		1.89	2.89

	Third Quarter		1.98		2.59
	Fourth Quarter		2.00		2.31
2020	First Quarter	Php	1.71		2.31

\* The par value of the Company's common stock was changed from Php 1.00 per share to Php 0.20 per share during the 3<sup>rd</sup> quarter of 2016. The price of the company's common shares that was traded on the First board of the Philippine Stock Exchange was transacted at Php 1.44 per share on June 26, 2020.

\*The price of the company's common shares that was last traded on the First board of the Philippine Stock Exchange was transacted at Php 1.44 per share on June 26, 2020.

The Top 20 stockholders of the Company as of August 30, 2020:

	Name of stockholder	Class	No. of shares	Percentage
1.	PCD NOMINEE CORP.(FIL)		681,840,064	41.034 %
2.	HIGHVALUE HOLDINGS, INC.		453,948,330	27.320 %
3.	5 CALIBRE HOLDINGS, INC.		198,618,330	11.953 %
4.	EXCELLAR HOLDINGS INC.		193,235,000	11.629 %
5.	HIGH INTEGRITAS HOLDINGS INC.		159,895,000	9.623 %
6.	EA HOK KI HOLDINGS CORP.		137,778,335	8.292 %
7.	PCD NOMINEE CORP (NON-FILIPINO)		18,409,101	1.108 %
8.	CHAN, JOSSIE O.		6,750,000	0.406 %
9.	DY, GONZALO C.		3,250,000	0.196 %
10.	DY, GLORIA A.		3,250,000	0.196 %
11.	CO, KATHRYN		2,500,000	0.150 %
12.	GOCHECO, DORIS		325,000	0.020 %
13.	BORJA, GEORGE C.		20,000	0.001 %
14.	GARCIA, LEIGH LAUREN P.		13,500	0.001 %
15.	GAN, RUBEN M.		5	0.000 %

\* Highvalue Holdings, Inc. is owned and controlled by Mr. Ernesto O. Ang, President and CEO and Chairman of the Board of the Company.

\* 5 Calibre Holdings, Inc. is owned and controlled by Atty. Ericson O. Ang, VP-Legal and Director of the Company.

\* Excellar Holdings Inc. is owned and controlled by Edgard O. Ang, CFO and Director of the Company.

\* High Integritas Holdings Inc. is owned and controlled by Emilio O. Ang, Vice Pres. And Director of the Company.

\* EA Hok Ki Holdings Corp. is owned and controlled by Eduardo O. Ang, Director of the Company.

\*There are no transaction that relates to an acquisition, business combination, or other reorganization that will have an effect on the amount and percentage of present holdings of the registrant's equity owned beneficially by (i) beneficial owner of more than 5% of registrant's common equity; (ii) each director and nominee; (iii) all directors and officers as a group and the registrant's present commitments to such persons with respect to the issuance of shares.

## Dividends

A cash dividend of Php 0.055 for every common share of stock was declared in 2018 and Php 0.026 in 2019. However, in lieu of cash, the company's Board of Directors have previously approved the

payment of the cumulative dividends of its preferred shares in the form of common shares. The same preferred shares have since been converted to common shares.

The company's cumulative dividends of 3 years 2 months on its Preferred shares in the amount of Php 15,833,333.000 were paid out in the form of 6,333,333 common shares at a per share value of Php 2.50. Likewise, the 100,000,000 preferred shares were converted into common shares.

Dividends may be declared from the surplus profits of the corporation at such time/s and in such percentage as the Board of Directors may deem proper. No dividends shall be declared that will impair the capital of the corporation.

### **Recent Issuance of Securities Constituting an Exempt Transaction**

The Board of Directors of the company approved the conversion of its 100,000,000 Preferred shares into common shares at the rate of One (1) common share for every preferred share held, effective December 10, 2003. The Board of Directors also approved the payment of the three years and two months cumulative dividends on the preferred shares in the amount of Fifteen million eight hundred thirty three thousand three hundred thirty three pesos (Php 15,833,333.000) in the form of Common shares with a per share value of Two pesos and fifty centavos (Php 2.50), in lieu of cash. This has resulted in the issuance of 6,333,333 common shares to the preferred shareholders.

On August 15, 2014, the Company issued Seventeen million (17,000,000) shares of common stock of the company at a price of Php 3.50 per share in favor of a private placement investor. The shares have already been issued and listed at the Philippine Stock Exchange.

On October 10, 2016, the Company accepted an offer for private placement of 45,000,000 shares of common stock at Php 4.00/share. These shares are also already listed at the Philippine Stock Exchange.

### **Compliance with leading practice on Corporate Governance**

On August 27, 2002, the Company submitted to the Securities and Exchange Commission its Manual of Corporate Governance in accordance with SEC Memorandum Circular no.2, Series of 2002. The company also appointed a Compliance Officer who undertakes quarterly feedback sessions with the Chairman of the Board to discuss governance-related issues.

The Company has formally adopted the leading practices on good governance in its Manual of Corporate Governance and has substantially complied with the rules and principles contained therein. The Manual was revised and adopted on Feb. 15, 2011 and on April 08, 2015 to incorporate added provisions promulgated by the Securities and Exchange Commission.

The Company plans to adopt whatever new principles and practices that may improve its corporate governance. All the directors and officers of the Company have annually attended seminars and training programs to further improve governance within the company. The latest amended Manual on Good Corporate Governance was filed with the Securities and Exchange Commission on May 31, 2017.

### **External Audit Fees**

The aggregate fees billed for the last two (2) fiscal years for professional services rendered by the Company's external auditors for the audit of its financial statements or for services that are normally provided in connection with statutory and regulatory filings are:

Year 2018 = Php 803,572.00

Year 2019 = Php 803,572.00

There are no other assurance or related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements.

Prior to the commencement of audit work, the external auditors present their program and schedule to the Audit Committee which include discussion of issues and concerns regarding the audit work to be done.

#### **UNDERTAKING TO PROVIDE ANNUAL REPORT**

THE REGISTRANT UNDERTAKES TO PROVIDE WITHOUT CHARGE TO EACH STOCKHOLDER WITH A COPY OF ITS ANNUAL REPORT ON SEC FORM 17-A UPON WRITTEN REQUEST TO THE REGISTRANT ADDRESSED TO:

MR. KARLVIN ERNEST L. ANG  
CORPORATE SECRETARY  
PRIMEX CORPORATION  
Ground Floor, Richbelt Terraces, 19 Annapolis St., Greenhills  
San Juan , Metro Manila